S Yuvarajan & Anor v Anthony Martin

HIGH COURT (SHAH ALAM) — CIVIL SUIT NO 22-518-93
RANITA HUSSEIN JC
20 MAY 1994

Civil Procedure *— Injunction — Interim injunction — Passing off and infringement of trade mark — Whether injury to plaintiff quantifiable — Balance of convenience*

The plaintiffs are the registered proprietors of the trade mark 'Chop Sipoth' in relation to their trade in sarongs which they had carried on for some years. The defendant entered the sarong market recently and applied for the registration of the trade mark 'Chop Sipot Mas' for his sarongs. The plaintiffs contended that the defendant's trade mark was substantially similar, if not identical to the plaintiffs' trade mark. As such, the plaintiffs alleged that the defendant: (i) had infringed their trade mark by using a mark so nearly resembling it so as to deceive or cause confusion in the course of trade, within s 38 of the Trade Marks Act 1976; and (ii) was guilty of passing-off by using a deceptive get-up for his sarongs to deceive the public into believing that the defendant's sarongs were the plaintiffs' sarongs.

The plaintiffs applied for an interim injunction to restrain the defendant from infringing the plaintiffs' trade mark and passing off his sarongs as the plaintiffs' sarongs until the date of the trial. The injunction was granted and twice extended, with an order for the plaintiffs' application to be heard inter partes.

Held, allowing the plaintiffs' application for continuation of the injunction until the trial:

(1) In deciding whether to allow an interim injunction, the court had to consider not only whether there were facts in dispute and a serious question to be tried, but also whether damages was an adequate remedy and assess the balance of convenience.

(2) The defendant's use in its label of the words 'Chop Sipot Mas' and the symbol used, together with the other words, as well as the use of brighter shades of the same colours which appeared in the plaintiffs' label, contributed to a substantial similarity in the two marks and get-ups.

(3) If the defendant were to continue selling sarongs using a mark substantially similar to the plaintiffs' trade mark at a lower price, the defendant was likely to penetrate the market and successfully ride on the plaintiffs' goodwill to the detriment of the plaintiffs' business. The extent of the injury would not be easily quantified in damages if the plaintiffs were to succeed at the trial and the disadvantage to the plaintiffs if the injunction was not granted far outweighed the disadvantage to the defendant whose business

had yet to be established. Therefore, the balance of convenience favoured the preservation of the status quo until the trial.

[Bahasa Malaysia summary

Plaintif merupakan tuan punya berdaftar tanda niaga 'Chop Sipoth' berkenaan dengan perniagaan kain sarung mereka yang telah dijalankan oleh mereka selama beberapa tahun. Defendan telah memasuki pasaran kain sarung baru-baru ini dan telah memohon untuk mendaftarkan tanda niaga 'Chop Sipot Mas' untuk kain sarungnya. Plaintif menegaskan bahawa tanda niaga defendan sangat menyerupai, kalau pun, tidak serupa dengan tanda niaga plaintif. Dengan demikian, plaintif mengatakan bahawa defendan telah: (i) melanggar tanda niaga mereka dengan menggunakan suatu tanda yang begitu hampir menyerupainya sehingga memperdaya atau menyebabkan kekeliruan di dalam urusan perdagangan, di bawah s 38 Akta Cap Dagangan 1976; dan (ii) bersalah kerana melakukan kelirupaan dengan menggunakan satu 'get up' yang memperdayakan, untuk memperdayakan orang ramai dalam mempercayai bahawa sarung defendant adalah sarung plaintif.

Plaintif telah memohon untuk satu injunksi interim untuk menahan defendan dari melanggar tanda niaga plaintif dan melakukan kelirupaan sarung-sarungnya sebagai sarung plaintif sehingga tarikh perbicaraan. Injunksi itu telah diberi dan dilanjutkan dua kali, dengan satu perintah untuk permohonan plaintif didengar inter partes.

Diputuskan, membenarkan permohonan plaintif untuk menyambung injunksi itu sehingga perbicaraan:

(1) Di dalam memutuskan sama ada membenarkan injunksi interim, mahkamah perlu menimbangkan bukan sahaja, sama ada terdapat fakta-fakta yang dipertikaikan dan persoalan yang serius untuk dibicarakan, tetapi juga, sama ada ganti rugi adalah remedi yang mencukupi dan menaksirkan imbangan kemudahan.

(2) Penggunaan label dengan perkataan-perkataan 'Chop Sipot Mas' dan simbol oleh defendant, berserta dengan perkatan-perkataan lain, termasuk penggunaan bayangan yang lebih terang bagi warna yang sama seperti yang terdapat dalam label plaintif, menyumbang kepada keserupaan yang besar di dalam kedua-dua tanda niaga dan 'get-up' itu.

(3) Jika defendan terus menjual sarung-sarung dengan menggunakan satu tanda yang sebahagian besarnya menyerupai tanda niaga plaintif pada harga yang lebih rendah, defendan mungkin dapat menembusi pasaran dan berjaya menggunakan nama baik plaintif dan menjejaskan perniagaan plaintif. Tahap kerosakan tidak akan mudah dapat dikuantitikan di dalam bentuk ganti rugi jika plaintif berjaya di dalam perbicaraan dan kesan buruk kepada plaintif jika injunksi tidak diberi adalah jauh melebihi kesan buruk kepada

defendan yang perniagaannya masih belum ditubuhkan lagi. Dengan itu, imbangan kemudahan memihak kepada mengekalkan status quo sehingga perbicaraan.]

Cases referred to

American Cyanamid v Ethicon [1975] AC 396; [1975] 1 All ER 504; [1975] 2 WLR 316 (folld)

Athletes Foot Marketing Associated Inc v Cobra Sports Ltd & Anor [1980] RPC 343 (not folld)

Home Box Office Inc v Channel 5 Home Box Office Ltd [1982] FSR 449 (folld)

MI & M Corp & Anor v A Mohamed Ibrahim [1964] MLJ 392 (folld)

Yeoh Suat Gaik (*Ram Rais & Partners*) for the plaintiffs.
Harjit Singh (*Harjit Singh Sandhu & Co*) for the defendant.

Ranita Hussein JC: This is an application by the plaintiffs for an injunction to restrain the defendant from infringing the plaintiffs' trade mark and passing off goods, namely sarongs, not being the plaintiffs' goods, as the sarongs of the plaintiffs until the date of the trial. Other ancillary orders in the nature of the Anton Pillar were also asked for.

The injunction and orders were granted by the court on an ex parte application on 7 December 1993. Subsequently, the injunction was twice extended with an order for the plaintiffs' application to be heard inter partes on 10 May 1994.

It was clearly evidenced at the hearing on 10 May 1994 that the plaintiffs are the registered proprietors of the trade mark 'Chop Sipoth' in relation to their trade in sarongs and hold such proprietary right for a period of 14 years with effect from 10 August 1989. Over the years, the plaintiffs have established a substantial reputation in their trade mark and get-up.

It is not clear when the defendant entered the sarong market. However, it was undisputed he had so entered recently, and despite the plaintiffs having published warning notices against the use of its trade mark and get-up between January and March 1993, the defendant applied on 19 March 1993 for the registration of the trade mark 'Chop Sipot Mas' for his sarongs. This trade mark, contend the plaintiffs, is substantially similar, if not identical to the plaintiffs' trade mark. As such, the plaintiffs allege that the defendant has infringed their trade mark by using a label or mark 'so nearly resembling it as to deceive or cause confusion in the course of trade' in relation to the plaintiffs' sarongs, within the meaning of s 38 of the Trade Marks Act 1976. The plaintiffs further allege that the defendant is guilty of the act of passing-off in that he has used a deceptive get-up for his sarongs which is calculated to lead and has in fact led to deception and to the belief by, especially the illiterate members, of the public, that the defendant's sarongs are the plaintiffs' sarongs.

The plaintiffs' trade mark consists of an outer rectangular border and an inner rectangle containing two diamond-shaped frames with a snail device lying horizontal in the inner diamond-shaped frame. The words 'Malaya Pulicat Coy Madras Singapore' and 'No 1 Registered Trade Mark' and 'Made in India' appear in the vicinity of the outer diamond-shaped frames. The trade mark 'Chop Sipoth' is printed in block letters across the top of the outer rectangular border. To the left and right of the border are Tamil and Jawi transliterations, respectively, of 'Sangu Mark Kailee' (snail mark sarong) and 'Cop Sipot'. The colours used in the trade mark are pink, green, yellow and red with gold rectangular borders.

Despite the defendant's arguments that there is no resemblance in the plaintiffs' trade mark and the defendant's mark whether in the phonetic or visual sense or in the basic ideas represented, I find that the defendant's use in its label of the words 'Chop Siput Mas', the adoption of an outer rectangle and inner rectangle with a diamond-shaped frame containing a snail device (albeit lying in a vertical instead of a horizontal position) together with the other words used, viz 'CSS Pulicat Malaysia Madras', 'No 1, No 1 Registered Trade Mark' and 'Made in India' as well as the use of brighter shades of the same colours which appear in the plaintiffs' label, contribute to a substantial similarity in the two marks and get-ups.

In *MI & M Corp & Anor v A Mohamed Ibrahim*[1964] MLJ 392, it was held:

> ... the test to be applied is whether a person who sees the one trade mark in the absence of the other trade mark and in view only of his general recollection of what the nature of the other trade mark was, would be liable to be deceived and to think that the trade mark is the same as the other of which he has a general recollection. This recollection test is to be applied having regard to the sort of people who would buy the goods and the circumstances in which they buy.

In this case, the plaintiffs averred the fact, which was not disputed, that traders of the 'kain pulikat' sarong were small traders and the sarongs (which were of indiscriminate designs) were sold in crowded bazaars, where the sarongs were stacked together in plastic wrappers with labels stuck on them. In the circumstances, the likelihood of confusion in relation to the two trade marks and get-ups used was very great.

The defendant's arguments generally centre on such part of his label as contain dissimilar features compared with the plaintiffs' label. He further essays a challenge against the current mark used by the plaintiffs as not being the original trade mark registered by them.

In my view, there is a serious question to be tried. In relation to the ensuing principles laid down in *American Cyanamid v Ethicon* [1975] AC 396; [1975] 1 All ER 504; [1975] 2 WLR 316, the defendant submits that where cases involve restraint of trade, *American Cyanamid v Ethicon* does not apply and the merits of the case must be taken into account. The case of *Athletes Foot Marketing Associates Inc v Cobra Sports Ltd & Anor* [1980] RPC 343 was relied on for this submission. However, I am inclined to

agree with the distinction made by Peter Gibsin J in *Home Box Office Inc v Channel 5 Home Box Office Ltd* [1982] FSR 449, who stated as follows:

> *NWL Ltd v Woods* [1979] 1 WLR 1294 ... laid down that it was appropriate to consider the degree of likelihood of a permanent injury being granted, where the grant or refusal of an interlocutory injunction would dispose of the action finally, there being nothing left on which it would be in the interest of the unsuccessful party to proceed to trial. The *Athletes Foot* case was an illustration of the application of that principle, all the relevant facts being virtually undisputed. But I cannot see that the present is such a case. There are relevant facts in dispute, and I do not see that the grant or refusal of the injunction, whichever way it goes, will mean the end of this action.

Similarly, in this case there are relevant facts in dispute and having found that there is a serious question to be tried it remains for me to consider whether damages is an adequate remedy for the parties and assess the balance of convenience. In many instances, these two questions are intertwined. The plaintiffs tendered evidence showing that over their 39 years of business they had established a substantial business with a large sales value. The business is based on the substantial reputation in the plaintiffs' trade mark and get-up. In my view, if the defendant were to continue selling sarongs using a mark substantially similar to the plaintiffs' trade mark at a price lower than the plaintiffs' sarongs, the circumstances are such that the defendant can be expected to penetrate the market and to successfully ride on the plaintiffs' goodwill to the substantial detriment of the plaintiffs' business, the extent of which injury would not be easily quantified in damages if the plaintiffs were to succeed at the trial.

The disadvantage to the plaintiffs if the injunction is not granted in the sense of substantial and unquantified injury to its established goodwill far outweighs the disadvantage to the defendant if the injunction is granted in the sense that the injury to him would, in the main, just be one of delay in proceeding with his yet to be established business. In this case, therefore, the balance of convenience favours the preservation of the status quo and I would allow the continuance of the injunction until the conclusion of the trial.

I accordingly grant the order in terms of the application, subject to the plaintiffs' undertaking as to damages.

Application allowed.

Reported by Anne Khoo